



## 2020 INSTRUCTIONS

### FRATERNAL BENEFIT SOCIETIES TAX RETURNS

#### READ CAREFULLY – IMPORTANT INFORMATION

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1. Fraternal – **Upload a copy of Schedule T and a copy of South Carolina Business Page 23, of the Annual Statement.**
2. Round premiums to the nearest dollar.
3. Submit one check only per company payable to the South Carolina Department of Insurance.
4. Annual tax returns are due in this Department on or before **March 1, 2021**

**Tax returns received by this Department without all supporting documents may be subject to penalties.**

**Compliance with South Carolina Department of Insurance requirements is the Company's responsibility. Failure to comply could result in an administrative fine of up to \$30,000. Your attention is directed to S.C. Code Ann. §§ 38-2-10 and 38-5-130.**

#### **Schedule 01 – South Carolina Taxes and Obligations (All Insurers)**

1. License Fees **will not be** collected March 1, 2021.
2. This Schedule is a recapitulation of the other Schedules on the return.
3. The figure in Line 0199 is the amount you should remit for payment.
4. Acceptable payments are by electronic (ACH) check or credit card. If your tax liability is \$99,999.00 or greater, you cannot pay by credit card. There is a \$2.50 vendor fee for using the payment portal. Click Proceed to Payment on the invoice page and follow the instructions.

#### **Schedule 02 – Computation of Retaliatory Taxes (Foreign Insurers Only)**

South Carolina law requires that retaliatory taxes for foreign insurers be calculated by the use of an aggregate approach instead of an item-by-item approach. The aggregate requirements imposed by the foreign state for the privilege of doing business therein, including taxes levied under local ordinances, are compared with the aggregate requirements imposed in South Carolina for the privilege of doing business here, including taxes levied under local ordinances.



Complete Column A showing all taxes, fees, assessments and obligations due in South Carolina. Complete Column B showing all taxes, fees, assessments and obligations a South Carolina insurer would be required to pay your Domiciliary State under identical conditions. If the foreign state's aggregate total is greater than South Carolina's, the difference is collected from the foreign insurer as a retaliatory tax. If the remainder is negative, there is no retaliatory tax due.

**A separate worksheet must be uploaded showing home state rates, premium amounts, and calculations. The home state tax return will satisfy this requirement. This worksheet is part of the Required Documentation and if it is not furnished, the Company may be subject to disciplinary action for failure to follow instructions.**

**A copy of the SC fee and tax return Schedule 02- Computation of Retaliatory taxes will not satisfy this requirement.**

### **Schedule 03 – Biennial License Fee**

1. The Biennial License Fee **will not be** collected on March 1, 2021.

### **Schedule 04 – Exhibit of Premiums and Dividends (To Nearest Dollar)**

**1. Review this Schedule carefully to ensure proper reporting of premiums. Round premiums to the nearest dollar.**

2. Use whole dollars – no cents.

3. All entries must balance to the Business Page and Schedule T of the Annual Statement. Schedule T, Line 41, must agree with Line 99.99, Column A of Schedule 04 on the Fee and Tax Return.

4. Indicate negative premium amounts by placing a negative sign immediately before the premium amount. i.e. -1000

Refer any questions on premium taxes to Angela Davis [adavis@doi.sc.gov](mailto:adavis@doi.sc.gov) or 803-737-6279 or Desmond Haygood [dhaygood@doi.sc.gov](mailto:dhaygood@doi.sc.gov) 803-737-6174 or to Sharon Waddell [swaddell@doi.sc.gov](mailto:swaddell@doi.sc.gov) 803-737-4910

